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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

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FORM 10 - Q

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[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-14365

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SYNERCOM TECHNOLOGY, INC.

(Exact name of registrant as specified in its c

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Delaware	76-0079338
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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2500 City West Boulevard, Suite 1100, Houston, Texas 77042

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (713) 954-7000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.03 par value	5,709,294
Class	Outstanding at January 31, 1992

THIS DOCUMENT CONTAINS 15 PAGES. -1-
THE EXHIBIT INDEX CAN BE FOUND
ON PAGE 14

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(1)

SYNERCOM TECHNOLOGY, INC.
FORM 10-Q
JANUARY 31, 1992

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PART I

ITEM 1. FINANCIAL STATEMENTS

SYNERCOM TECHNOLOGY, INC., AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and per Share Data)

	January 31, 1992 (Unaudited)	October 31, 1991
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,748	$ 1,285
Short-term investments	3,892	8,012
Accounts receivable, net	1,858	3,680
Prepaid expenses and inventories	172	247
Total current assets	12,670	13,224
PROPERTY AND EQUIPMENT, at cost	8,516	8,471
Less - Accumulated depreciation and amortization	6,298	6,101
Property and equipment, net	2,218	2,370
SOFTWARE DEVELOPMENT COSTS, net	1,662	1,803
OTHER ASSETS, net	54	292
	$ 16,604	$ 17,689
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable, trade	$ 327	$ 597
Accrued compensation and related benefits	473	868
Other accrued liabilities	659	785
Customer advances	1,465	1,142
Total current liabilities	2,924	3,392
STOCKHOLDERS' EQUITY:		
Preferred stock, $100 par value; shares authorized 180,000	-	-
Common stock, $.03 par value; shares authorized 17,000,000; issued 6,170,543 at January 31, 1992 and October 31, 1991	185	185
Additional paid-in capital	37,707	37,707
Retained earnings (deficit)	(23,603)	(22,986)
Treasury stock, at cost (461,249 common shares at January 31, 1992 and October 31, 1991)	(609)	(609)
	13,680	14,297
	$ 16,604	$ 17,689

The accompanying notes are an integral part of these consolidated financial statements.

SYNERCOM TECHNOLOGY, INC., AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Quarters Ended January 31, 1992 and 1991
(Unaudited)
(In Thousands, Except per Share Data)

	1992	1991
REVENUES:		
Product licensing and sales	$1,545	$2,134
Services	1,676	1,679
Total revenues	3,221	3,813
COST OF REVENUES:		
Product licensing and sales	647	460
Services	853	785
Total cost of revenues	1,500	1,245
Gross profit	1,721	2,568
OPERATING EXPENSES:		
Research and development	553	543
Sales and marketing	1,208	1,288
General and administrative	711	664
Total operating expenses	2,472	2,495
INCOME (LOSS) FROM OPERATIONS	(751)	73
INTEREST INCOME, net	134	208
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY CREDIT	(617)	281
PROVISION FOR INCOME TAXES	-	115
INCOME (LOSS) BEFORE EXTRAORDINARY CREDIT	(617)	166
EXTRAORDINARY CREDIT:		
Tax benefit of net operating loss carryforward	-	103
NET INCOME (LOSS)	($617)	$269
NET INCOME (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE:		
Before extraordinary credit	($0.11)	$0.03
Extraordinary credit	0.00	0.02
Net income (loss)	($0.11)	$0.05
SHARES USED IN COMPUTING NET INCOME (LOSS) PER SHARE	5,709	5,869

The accompanying notes are an integral part of these consolidated financial statements.

SYNERCOM TECHNOLOGY, INC., AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Quarters Ended January 31, 1992 and 1991
(Unaudited)
(In Thousands)

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (617)	$ 269
Adjustments to reconcile net loss to net cash provided (used) by operating activities --		
Depreciation and amortization	484	416
(Increase) decrease in accounts receivable	1,822	(437)
(Increase) decrease in prepaid expenses and inventories	75	(6)
Increase (decrease) in accounts payable	(270)	76
Increase (decrease) in accrued compensation and related benefits	(395)	41
Increase (decrease) in other accrued liabilities	(126)	41
Increase in customer advances	323	570
Total adjustments	1,913	701
Net cash provided by operating activities	1,296	970
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term investments	(1,962)	(6,766)
Proceeds from sale and maturity of short-term investments	6,082	2,009
Purchase of property and equipment, net	(47)	(15)
Increase in software development costs	(142)	(454)
Decrease in other assets, net	236	-
Net cash provided (used) by investing activities	4,167	(5,226)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments to repurchase common stock	-	(333)
Payments on capital lease obligations	-	(20)
Net cash used by financing activities	-	(353)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,463	(4,609)
CASH AND CASH EQUIVALENTS, beginning of year	1,285	5,813
CASH AND CASH EQUIVALENTS, end of period	$ 6,748	$ 1,204

The accompanying notes are an integral part of these consolidated financial statements.

SYNERCOM TECHNOLOGY, INC., AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Organization

Synercom Technology, Inc. (Synercom or the Company) provides integrated spatial systems solutions for major commercial and governmental organizations worldwide. Utilities, telecommunications companies and municipal governments manage a multitude of geographically dispersed assets and the activities affecting these assets. Synercom solutions increase the efficiency, accuracy and cost-effectiveness of engineering, constructing and maintaining these assets.

The Company was incorporated in Delaware in 1983 and is a successor to a Texas corporation incorporated in 1969.

(2) Consolidated Financial Statements

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of the Company, the accompanying interim unaudited consolidated financial statements contain all material adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial condition, the results of operations and the changes in cash flows of Synercom Technology, Inc., and Subsidiary for interim periods. The results for such interim periods are not necessarily indicative of results for a full year. Certain information in the prior quarter financial statements has been reclassified to conform to current presentation.

Users of financial information produced for interim periods are encouraged to refer to the footnotes contained in the Annual Report to Stockholders when reviewing interim financial results.

(3) Income Taxes

In February of 1992, the Financial Accounting Standards Board issued Statement No. 109, "Accounting for Income Taxes." The Company is required to adopt the new accounting and disclosure rules no later than its fiscal year ending October 31, 1994, although earlier implementation is permitted. The Company has not decided when it will adopt the new standard or whether it will adopt retroactively or through a cumulative catch-up adjustment; however, because the Company has significant net operating loss carryforwards, implementation of Statement No. 109 is not expected to have a material effect on the Company's reported financial position and net income.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Results of Operations

Synercom reported a net loss of $617,000 or $.11 per share on revenues of $3,221,000 for the Company's first quarter ended January 31, 1992. In the first quarter of the prior year, the Company reported net income of $269,000 or $.05 per share on revenues of $3,813,000. Included in net income for the quarter ended January 31, 1991 is an extraordinary credit from tax loss carryforwards which had the effect of increasing net income by $103,000. The decrease in net income this quarter compared to the first quarter of fiscal 1991 is primarily due to a decrease in product licensing and sales revenue, an increase in cost of revenues, and, to a lesser extent, a decrease in interest income.

Total revenues for the quarter ended January 31, 1992 decreased 15.5% compared to the quarter ended January 31, 1991. Product licensing and sales revenue for the first quarter of fiscal 1992 decreased 27.6% compared to the first quarter of the prior fiscal year. The decrease in revenue from product licensing and sales is due to a reduction in the licensing of Synercom software products reflecting fewer large orders in the first quarter of fiscal 1992 compared to the first quarter of fiscal 1991.

At the Company's current revenue levels, financial results can fluctuate from quarter to quarter and period to period as a result of the Company's having a high concentration of large customers and also as a result of the timing of the build-out of customer spatial systems and the amount and product mix of certain orders.The build-out of these spatial systems solutions usually occurs over a two- to five-year period with purchase orders being issued throughout the period at the customer's discretion. Factors affecting the build-out include, but are not limited to, the following: (1) the cost and time required to build the spatial database (which is the conversion of the customer's maps and records into a digital format), (2) customer budgetary constraints and (3) readiness of customer facilities.

Service revenues for the quarter ended January 31, 1992 were at approximately the same level as the quarter ended January 31, 1991. Software support revenue increased 5.2% for the quarter ended January 31, 1992 compared to the quarter ended January 31, 1991. However, this increase was offset by a continued decline in proprietary hardware support revenue as the number of systems under hardware maintenance decreased, as planned. The Company expects software support revenue to provide a growing source of recurring revenues as substantially all of the Company's software customers enter into software maintenance contracts entitling them to periodic updates of their software products and other support services. The Company offers integration services to support the project life cycle - definition, implementation and build-out - of each solution through comprehensive services that may include program management, systems engineering, requirements analysis, feasibility studies, data modeling and network design. In addition, the Company provides custom software development, systems installation, training and product support.

Synercom has been notified by Pacific Bell that it is cancelling support services for software currently maintained by Synercom, effective as of March 12, 1992. At this time, based on such notification and consistent with previous reports by the Company, Synercom does not expect to license additional software products to Pacific Bell pursuant to the master software license agreement.

The Company's overall gross margin for the quarters ended January 31, 1992 and 1991 was 53.4% and 67.3%, respectively. The overall decrease in gross margin for the quarter ended January 31, 1992 compared to the quarter ended January 31, 1991 is primarily attributable to a lower percentage of software licensing revenue of Synercom products to total revenues. The gross margin obtained from Synercom software licensing is substantially higher than the gross margin obtained from integration services and from the sale of other vendors' products.

During the last three fiscal years, the Company has concentrated on enhancing its product line to respond to the market's need for integrated spatial systems solutions that are based on industry standards and that are platform independent. Because the Company has completed some of the major development goals related to the aforementioned, the Company anticipates that future research and development expenditures, inclusive of those costs capitalizable, will be lower in absolute dollars and comparable as a percentage of revenue to other companies in its industry. Consistent therewith, the Company's research and development expenditures (representing the aggregate of amounts expensed and capitalized) decreased 29.8% for the quarter ended January 31, 1992 compared to the same period of the prior year. This decrease is primarily due to a reduction in payroll and related benefits. In accordance with Statement of Financial Accounting Standard No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed," capitalized research and development costs were $142,000 and $447,000, respectively, for the quarters ended January 31, 1992 and 1991. Capitalized research and development costs decreased because there were fewer products in the capitalized phase of product development in the first quarter of fiscal 1992 compared to the same period of the previous year.

Sales and marketing expenses decreased 6.2% for the quarter ended January 31, 1992 compared to the quarter ended January 31, 1991. This decrease is primarily due to lower costs resulting from the timing of certain marketing projects.

General and administrative expenses increased 7.1% for the quarter ended January 31, 1992 compared to the same period of fiscal 1991. The increase is primarily due to increased outside professional fees, offset to a degree by a reduction in travel expenses.

Net interest income decreased by 35.6% for the first quarter of fiscal 1992 compared to the first quarter of 1991. The decrease is due to a lower cash investment base and lower interest rates.

No income tax provision was recorded for the quarter ended January 31, 1992 because the Company incurred a net loss. The Company's effective income tax rate for the first quarter of fiscal 1991 was 40.9%. The Company utilized net operating loss carryforwards for financial reporting purposes of $103,000 for the quarter ended January 31, 1991, which had the effect of increasing net income. See Note 3 to Notes to Consolidated Financial Statements.

Liquidity and Capital Resources

On January 31, 1992, cash, cash equivalents and short-term investments totaled $10.6 million, an increase of approximately $1.3 million compared to October 31, 1991. The increase was due primarily to cash being generated by operating activities, including a reduction in accounts receivable. Based upon its present operating plan, the Company believes that its currently available cash, cash equivalents and short-term investments, together with its anticipated future cash flow from operations, should be sufficient to meet its cash requirements for the near-term future.

PART II - OTHER INFORMATION

Item 4. Results of Votes of Security Holders

At its annual meeting of stockholders held March 3, 1992 in Houston, Texas, the stockholders approved an amendment to the Company's 1985 Stock Option Plan increasing the number of shares of common stock issuable thereunder from 1,283,334 to 1,348,334 by a vote of 3,955,920 affirmative, 690,034 against, and 45,964 abstention. There was no solicitation in opposition to the management's nominees for directors and a majority of votes were cast in favor of Donald K. Grierson, Michael L. McGuire, Arthur C. Patterson, David J. Stewart and John S. Watson as directors of the Company. In addition, the designation of Arthur Andersen and Company as independent auditors of the Company for fiscal 1992 was ratified.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

11.1 Statement re Computation of Net Income (Loss) Per Share for the quarters ended January 31, 1992 and 1991.

(b) Reports on Form 8-K

There were no reports for Form 8-K filed by the Company during the quarter ended January 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Synercom Technology, Inc.
(Registrant)

Date: March 13, 1992 By: _____
David J. Stewart, President

Date: March 13, 1992 By: _____
Mark K. Vise,
Vice President - Finance
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Sequentially Numbered Page
11.1	Statement re Computation of Net Income (Loss) Per Share for the quarters ended January 31, 1992 and 1991.	15

EXHIBIT 11.1

SYNERCOM TECHNOLOGY, INC., AND SUBSIDIARY
COMPUTATION OF NET INCOME (LOSS) PER SHARE
For the Quarters Ended January 31, 1992 and 1991
(Unaudited)
(In Thousands, Except per Share Data)

	1992	1991
Shares:		
Weighted average common shares outstanding	5,709	5,869
Net common shares issuable on exercise of stock options	-	-
Weighted average common and common equivalent shares outstanding	5,709	5,869
Income (loss) before extraordinary credit	($617)	$166
Extraordinary credit	-	103
Net income (loss)	($617)	$269
Net income (loss) per common and common equivalent share:		
Before extraordinary credit	($0.11)	$0.03
Extraordinary credit	0.00	0.02
Net income (loss)	($0.11)	$0.05